

## **2006-07 Budget Highlights**

The 2006-07 Budget as passed by the General Assembly is over \$26 billion with over \$12.5 billion being General Fund.

This budget includes a 3 percent cost-of-living raise for state employees, as well as a one-time bonus of \$350. There was an additional appropriation of \$21.1 million for compression and \$15 million for classification compensation.

Higher Education employees and K-12 teachers received a 2 percent cost-of-living raise as well as pool of funding for a one-time bonus payment.

Funds were included to increase the longevity pay from 25 to 30 years for state employees and higher education employees. The Legislature also included the deferred compensation match from \$30 a month to \$40 month for state employees and higher education employees.

There will be almost \$4.9 billion state dollars going into education for 2006-07. These funds include additional funding for the Governor's Pre-K program, enhanced funding for the BEP, additional higher education operating funding which will keep tuition rates below 5 percent.

The budget provides \$12.1 million in new funding to continue the Health Care Safety Net program. It also fully funds the Governor's recommendation on Cover Tennessee and Access Tennessee.

This budget allows the updating of the State's core business processes. There is \$28.1 million included to provide for an integrated Enterprise Resource Planning system.

The judicial system was provided the appropriate amount of funding to increase the salaries of judges, district attorneys and public defenders to be more competitive with the marketplace.

The Legislature granted approval for the Governor to put in place the recommendations of the Kroll Study, as well as the Fed Ex Study on the Department of Safety. This included a new investment of over \$5 million.

To keep Tennessee in the forefront on job recruitment, over \$20 million new dollars were added to the Department of Economic and Community Development. Another \$4.7 million was committed for marketing Tennessee.

At the close of fiscal year 2007, the Rainy Day Fund is projected to be almost \$500 million. This is the largest balance in history with over \$170 million being deposited in this one fiscal year.